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3 DEC 1963

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT:

Budget Hearing for Thursday, 5 December

- 1. At this time it is not known precisely what Mr. Cannon plans to take up at the meeting on 5 December 1963. It is known that subsequent to our last meeting with the Cannon subcommittee, Mahon and Ford met with Senator Russell. We have also learned that apparently Russell's view on the Agency budget is not in accord with the Cannon letter of 25 October. However, we do not know the nature of the differences. Mr. Mahon has reported fully to Cannon on the Mahon/Ford talks with Russell and has left the action with Mr. Cannon. We also know that Mr. Russell expects further word from the House committee, hopefully looking toward an agreed House/Senate view.
- 2. It is strongly urged that you take the initiative at the earliest possible moment in the hearing, pointing out that we need firm guidance as to our appropriations so that we can conduct our activities in an orderly fashion. Therefore, as a means to do this, we suggest that you place before each member of the committee the attached list of points on which the Agency needs guidance. If firm positions could be secured on each of these, we would then be in a better position to resolve whatever problems we might have with the Senate group. Also, we must have firm positions from the Congress in order to secure proper apportionments from the Bureau of the Budget

3. Also attached is a more detailed discussion and backup of the outstanding issues.

JOHN S. WARNER Legislative Counsel 35X1

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